

July 19, 1979

* DOS & NSC REVIEWS
COMPLETED*

NOTE FOR: The Director of Central Intelligence
FROM: Deputy to the DCI for Resource Management
SUBJECT: Meeting with Secretary Vance July 19, 1979

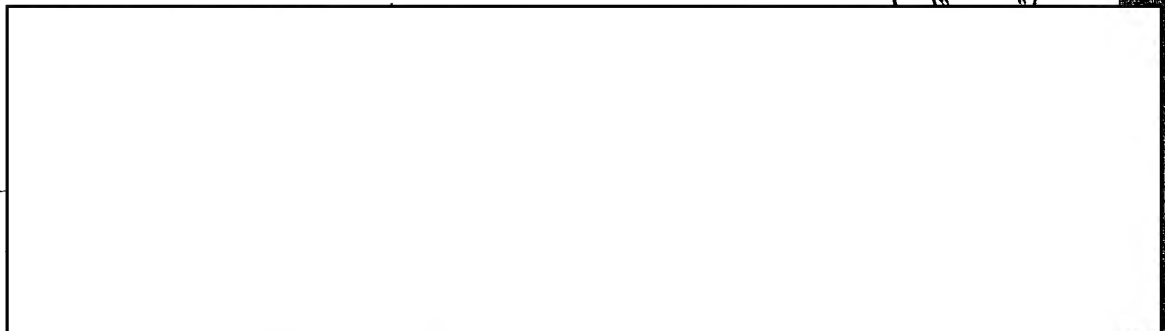
Star -

You may want to talk to Secretary Vance about follow-on actions to the report of the study group reviewing overseas manpower. I know of two items of concern:

- 1) Vance proposed that a blue ribbon panel be put together to study the value of intercept material. That is a poor idea because



- 2) Vance proposed a similar blue ribbon panel to review the hard target emphasis of human source collection. That is a poor idea because



1730, 16 Jul 79

CIA ENERGY PAPER

Although SEC STATE was forwarded a copy of the OER paper, you may want to hand a copy of it to Vance. You may also want to note that CIA is in the process of sanitizing it for publication in an unclassified form. (Brzezinski's memo to you on this is attached.)

18 July

~~"State" response will be available tomorrow.~~

Trsk

19 July

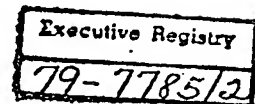
So far have heard only from INR
Comments thus far:

- paper too pessimistic, based on worst
case supply assumptions
- too heavy emphasis on conservation
for OPEC production policies
- not enough on cartel behavior on
part of OPEC countries to boost
prices

In short would prefer not to put out
in ~~an~~ unclassified form

Memo to SECSTATE indicating these
comments from INR is going forward

THE WHITE HOUSE
WASHINGTON



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July 12, 1979

MEMORANDUM FOR

THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: CIA Paper, "The World Oil Market
in the Years Ahead"

This study is a solid piece of professional research work, and I have forwarded the summary and conclusions to the President at Camp David. Please convey my compliments to the authors of the study.

With regard to publication of the paper in an unclassified form, I have no doubt it would make a useful contribution to greater public realism about the energy problem, both here and abroad. Nevertheless, I believe the paper should not be published in an unclassified form without major revisions that would affect its tone and attempt to avoid possible interpretations adverse to our short-term national interests. For example:

-- The study could be used by OPEC to justify further substantial price increases.

-- Its objective view of production restrictions by OPEC countries and rising prices could be characterized as "soft on OPEC."

-- Its divergence from Energy Department estimates used by the President on both US oil production in both 1980 and 1982 and on US conservation responses to recent decontrol and administrative efforts could lead to confusion and misunderstanding.

-- In addition, several members of my staff well-versed on energy issues, while highly complimentary of the paper in general, believe it is somewhat biased on the pessimistic side on most judgment calls.

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Review on July 12, 1985

For these reasons, I must recommend against the paper's publication in an unclassified form. If you continue to feel strongly that the paper should be made available to the public, please let me know and perhaps we can arrange to have members of our staffs get together to discuss revisions and deletions that we would regard as essential prior to its publication.

Again, let me congratulate you and your economists on a valuable contribution.



Zbigniew Brzezinski

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EXECUTIVE SECRETARIAT (O/DCI)

Routing Slip

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
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6	DD/A				
7	DD/O				
8	DD/S&T				
9	GC				
10	LC				
11	IG				
12	Compt				
13	D/PA				
14	D/EEO				
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16	AO/DCI				
17	C/IPS				
18	D/CEP				
19	HSC/C				
20	ES				
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SUSPENSE DATE:

Remarks:

To 4: Please advise DCI and prepare response to Dr. Brzezinski. ASAP.

D/ Executive Secretary

13 July 1979

Date

3637 (4-78)